GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:275
ANSWERED ON:07.08.2003
INTERNATIONAL BIDDING FOR CBM
BASUDEB ACHARIA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government have decided to offer new CBM (Coal Bed Methane) blocks for international bidding;

(b) if so, the details thereof;

(c) the details of CBM blocks offered so far and progress of work of such blocks;

(d) the details of agreement to be entered into before offering any blocks to private/international bidders;

(e) whether the Government have undertaken exploration of CBM in the State of West Bengal;

(f) if so, the details thereof;

(g) whether proposal of royalty to the State Government and share of profits between Central and State Governments have been finalized; and

(h) if so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI RAM NAIK)

(a) to (h):- A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (h) OF THE LOK SABHA STARRED QUESTION NO.275 BY SHRI BASUDEB ACHARIA TO BE ANSWERED ON 7TH AUGUST, 2003 REGARDING INTERNATIONAL BIDDING FOR CBM.

(a) & (b):- Yes, Sir. In the second offer of blocks under the Coal Bed Methane (CBM) Policy, Government has invited bids for exploration & production of CBM from nine blocks situated in coal/lignite bearing areas in the country. The details of these blocks are given in Annexure-I.

(c) Till date, the Government has signed contracts with National Oil Companies(NOCs)/Private companies in respect of eight CBM blocks. The details of these blocks and progress of work are given in Annexure-II.

(d) The successful bidder has to sign a contract with the Government. The contract contains minimum work programme committed and production level payments bid by the company in addition to other terms as per CBM Policy.

(e) & (f):- Yes, Sir. Oil and Natural Gas Corporation (ONGC), as part of its Research & Development (R&D) activity had drilled two wells and seven slimholes to assess the feasibility of CBM in Raniganj Basin in West Bengal. Further, the Government has signed contracts with National Oil Companies/Private Companies in respect of three blocks in Raniganj Basin for exploration and production of CBM.

(g) & (h):- As per the CBM policy, royalty at the rate of ten per cent advalorem sale value at the well-head is to be paid by the company to the concerned State Government on the production of CBM. It has been decided to refer the proposal of some State Governments, for sharing of Production Level Payment (PLP) and Commercial Discovery Bonus from the CBM blocks, to the 12th Finance Commission .

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF THE LOK SABHA STARRED QUESTION NO.275 BY BASUDEB ACHARIA TO BE ANSWERED ON 7TH AUGUST, 2003 REGARDING INTERNATIONAL BIDDING FOR CBM.

Details of blocks offered under the second round of CBM Policy (CBM-II).

Sl.No	STATE	COAL/LIGNITE FIELD	BLOCK NAME

1. ANDHRA PRADESH GODAVARI GV(North)-CBM-2003/II

2. CHHATTISGARH & MADHYA PRADESH SONHAT SH(North)-CBM-2003/II

3. GUJARAT BARMER-SANCHOR BS(3)-CBM-2003/II

4. JHARKHAND SOUTH KARANPURA SK-CBM-2003/II

5. JHARKHAND NORTH KARANPURA NK(West)-CBM-2003/II

6. MADHYA PRADESH SATPURA ST-CBM-2003/II

7 MAHARASHTRA WARDHA WD-CBM-2003/II

8. RAJASTHAN BARMER BS(1)-CBM-2003/II

9. RAJASTHAN BARMER BS(2)-CBM-2003/II

ANNEXURE-II

ANNEXURE REFERRED TO IN REPLY TO PART (c) OF THE LOK SABHA STARRED QUESTION NO.275 BY SHRI BAS ACHARIA TO BE ANSWERED ON 7TH AUGUST, 2003 REGARDING INTERNATIONAL BIDDING FOR CBM.

I. Details of CBM blocks for which contracts have been signed.

Sl.No.	State	Name of Block	Dates of signing of contracts	Awardee Contractor	Area in Sq.Km.
1.	Jharkhand	Bokaro	26.07.02	ONGC-Indian Oil Corporation Ltd. (IOC)	95.00
2.	Jharkhand	North Karanpura	26.07.02	ONGC-IOC	340.00
3.	Jharkhand	Jharia	06.02.03	ONGC-CIL (Coal India Ltd.)	85.00
4.	Madhya Pradesh	Sohagpur(East)	26.07.02	Reliance Industries Ltd.	495.00
5.	Madhya Pradesh	Sohagpur(West)	26.07.02	Reliance Industries Ltd.	500.00
6.	West Bengal	Raniganj (East)	26.07.02	Essar Oil Ltd.	500.00
7	West Bengal	Raniganj (North)	06.02.03	ONGC-CIL (Coal India Ltd.)	350.00
8.	West Bengal	Raniganj (South)	31.05.01	M/s Great Eastern Energy Corporation Ltd. (GEECL)	210.00

II. As per the CBM Policy, the duration of contract is divided into four phases with first phase, which is for exploration, for three years. As its R& D work, ONGC had drilled four test wells and six coreholes in Jharia CBM block and has drilled two wells and seven coreholes in North Raniganj block for assessment of CBM potentiality. GEECL has drilled one test well and two coreholes in Raniganj (South) block and drilling of one test well is in progress. For the remaining blocks, formalities prior to commencement of exploration have been completed by the respective awardee contractors.